



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

October 11, 2016

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <http://www.legis.iowa.gov/law/administrativeRules/arrc/fiscalImpact>

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Accountancy Examining Board

ARC 2719C

Rule Summary Updates outdated address information and provides recognition for a broader scope of accountant designations outside of the United States.

Agency Stated Authority: Iowa Code section 542.4.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Agriculture and Land Stewardship (DALs)

ARC 2708C

Rule Summary Eliminates the requirement to list a social security number on the certificate of completion form for pesticide applicator continuing instruction courses.

Agency Stated Authority: Iowa Code section 206.5.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2720C

Rule Summary Simplifies the process for registering a standardbred horse as Iowa-foaled by eliminating a requirement that the United States Trotting Association certificate be physically sent to the DALs.

Agency Stated Authority: Iowa Code section 99D.22.

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Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Homeland Security and Emergency Management

ARC 2713C

Rule Summary Allows emergency management employees to run for partisan elective office. This implements HF 2353 (Emergency Management Employees Act). Aligns with the Federal Hatch Act that allows governmental employees to run for partisan elective office as long as their salary is not 100.0% federally funded.

Agency Stated Authority: Iowa Code section 17A.3.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Insurance Division

ARC 2718C

Rule Summary Updates current rules regarding burial sites and cemeteries pursuant to 2016 Iowa Acts, HF 2394 (Insurance Division Act). Clarifies the current requirements for occasions when care fund amounts are distributed using a total return distribution method, and procedures related to filing required annual reports.

Agency Stated Authority: Iowa Code section 523I.207.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2724C

Rule Summary Clarifies definitions of terms related to retirement facilities as found in Iowa Code chapter 523D. Also implements procedures encouraging facilities to utilize electronic administration to file documentation and disclosure statements.

Agency Stated Authority: Iowa Code section 523D.10

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2727C

Rule Summary Allows surplus lines insurance producers, under a defined method, to electronically deliver notices if specific guidelines are followed. Adopts updates to several citations and general updates. After a period of public comment, the Insurance Division updated the notified rule to include requirements regarding producer designations on behalf of a nonadmitted insurer, as well as clarified the procedure of paying premium taxes for surplus lines insurance.

Agency Stated Authority: Iowa Code sections 515E.8, 515E.14, and 515I.15.

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Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Rescinds Iowa Administrative Code (IAC) Chapter 23 and replaces it with Chapter 104. The proposed new chapter updates the prior chapter to include, among other things, procedures that allow the electronic administration of Iowa Code chapter 516 and associated rules. **ARC 2728C**

Agency Stated Authority: Iowa Code section 516E.7.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Rescinds IAC Chapter 54, “Residential Service Contracts,” and adopts the new Chapter 103 in its place. **ARC 2729C**

Agency Stated Authority: Iowa Code section 523C.10.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Clarifies that preneed sellers must maintain records of sales agents that have made sales on behalf of preneed sellers, and that preneed sellers shall report the names of any affiliated sales agents to the Division annually. Clarifies how preneed sellers and financial institutions should create and report funds and transactions of master trust agreement accounts. **ARC 2730C**

Agency Stated Authority: Iowa Code section 523A.809.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Amends current rules to comply with 2016 Iowa Acts, HF 2394 (Insurance Division Act), section 2, related to the fee charged for filing a registration statement or a notice of filing. The amendments also propose updates to several citations and make general updates to the chapter. **ARC 2731C**

Agency Stated Authority: Iowa Code section 502.305.

Fiscal Impact **Agency Response:** No fiscal impact. The amendments were designed to be revenue neutral.

LSA Response: The LSA concurs.

Iowa Finance Authority**ARC 2723C**

Rule Summary Updates the 2017 Qualified Allocation Plans (QAPs) for the federal Low-Income Housing Tax Credit (LIHTC) program and adds conforming and corrective changes. The qualified allocation plans set forth the purposes of the plans, the administrative information required for participation, threshold criteria, selection criteria, post reservation requirements, the appeal process, and the compliance monitoring component. The plans also establish the fees for filing an application for low-income housing tax credits. The rules were modified after they were first noticed in order to update the date subsequent to which no amendments to or editions of the QAPs are incorporated by reference. The date was changed to September 7, 2016.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b) and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Medicine Board**ARC 2705C**

Rule Summary Updates the recommended resources for physicians who treat chronic pain.

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2706C

Rule Summary Revises rule on Contested Case Proceedings to be consistent with Iowa Code section 148.7(4).

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Professional Licensure Division**ARC 2717C**

Rule Summary Establishes fees for the new polysomnography technologist license and the new dual respiratory care and polysomnographic practitioner license. Increases the initial licensure and renewal fees for a respiratory care license. The proposed fees are as follows:

- Initial and renewal Respiratory Care Practitioner: \$75.
- Initial and renewal Respiratory Care and Polysomnography Practitioner: \$90.
- Initial and renewal Polysomnography Technologist: \$330.
- Reactivation fee for Respiratory Care Practitioner: \$135.
- Reactivation fee for Respiratory Care and Polysomnography Practitioner: \$150.
- Reactivation for Polysomnographic Technologist: \$390.

Agency Stated Authority: Iowa Code section 148G.5 and 152B.6.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: Minimal fiscal impact. The Board of Respiratory Care and Polysomnography may experience a minimal increase in revenue as a result of these changes. The Board also experienced increased costs of approximately \$30,000 resulting from programming the implementation of these licensures into the database that was covered by the lowAccess Revolving Fund.

Rule Summary Decreases the minimum number of continuing education hours for the Board of Barbering from eight to three hours pursuant to 2015 Iowa Acts, chapter 63 (SF 434, Continuing Education Requirements for Licensed Barbers Act). **ARC 2722C**

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Updates the chapters on Marital and Family Therapists and Mental Health Counselors related to licensing and continuing education. Changes include revising definitions, exam requirements, supervision requirements, continuing education requirements, and technical corrections. **ARC 2738C**

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Pharmacy Board

Rule Summary Implements 2016 Iowa Acts, SF 2218 (Opioid Antagonist Act), as amended in HF 2460 (FY 2017 Health and Human Services Act), to permit the possession and administration of opioid antagonist medications to certain eligible recipients. Removes the requirement for a pharmacy to include the address of a facility, school district, or accredited nonpublic school on the label of epinephrine dispensed to those entities. **ARC 2721C**

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Public Health

ARC 2725C

Rule Summary Strikes reference to the Iowa Public Health Standards that were repealed in 2016 Iowa Acts, chapter 1026, State and Local Administration of Public Health Services Act). Revises the contents of the application form for a district board of health and amends the approval process to give the State Board of Health the final review, approval, or denial of district boards of health.

Agency Stated Authority: Iowa Code section 137.119.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2726C

Rule Summary Allows certified radon measurement specialists to release radon measurement results to prospective home buyers that contracted to have the testing performed during the negotiation of a home sale pursuant to 2015 Iowa Acts, chapter 20 (Radon Testing Act). Also makes technical corrections.

Agency Stated Authority: Iowa Code section 136B.4.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2732C

Rule Summary Updates the requirement for meningococcal vaccination upon entry into seventh and twelfth grades pursuant to 2016 Iowa Acts, chapter 1139, Division XXI (FY 2017 Health and Human Services Appropriations Act). Adds the definition of a pharmacist, establishes provisions to terminate Immunization Registry Information System users for failure to comply with the release of information and confidentiality requirements, and makes technical corrections.

Agency Stated Authority: Iowa Code section 139A.8.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2733C

Rule Summary Requires the County Medical Examiner, Deputy Medical Examiner, and Medical Examiner Investigators to submit a joint invoice for work performed to the county of appointment. The county of appointment can choose to pay the invoice immediately or forward the invoice onto the decedent's county of residence for payment to county medical examiner staff. If payment is not received by the county medical examiner staff from the county of the decedent's residence within 60 days, the county of appointment will pay the invoice to the county medical examiner staff. These changes are related to 2016 Iowa Acts, chapter 1125 (County Medical Examiner Fees Act).

Agency Stated Authority: Iowa Code section 691.6.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Provides a general update for the Backflow Prevention Assembly Tester Registration Program.

ARC 2734C

Agency Stated Authority: Iowa Code section 135K.4.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Updates definitions and rules for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program.

ARC 2735C

Agency Stated Authority: Iowa Code chapter 135.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Real Estate Appraiser Examining Board

Rule Summary

Places the Real Estate Appraiser Examining Board under the supervision of the Superintendent of the Division of Banking of the Department of Commerce. The proposed amendments also add definitions and set forth a procedure as to how the Superintendent shall supervise the Board.

ARC 2710C

Agency Stated Authority: Iowa Code section 543D.5.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Real Estate Commission

Rule Summary

Removes outdated education requirements and clarifies the experience requirements in order to obtain a real estate broker license in Iowa. Clarifies how salespersons and brokers licensed in other jurisdictions can get licensed in Iowa and update the Commission's web address.

ARC 2712C

Agency Stated Authority: Iowa Code section 543B.9.

Fiscal Impact

Agency Response: No fiscal impact. The amendments were intended to be revenue neutral.

LSA Response: The LSA concurs.

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Department of Revenue

ARC 2707C

Rule Summary Updates current rules for date changes for the time for filing protests of appeal with the local board of review for property tax assessments, extending the time a taxpayer has to bring appeals before the board. It also updates rules to comply with a change in the statute regarding the notice required to be given by the auditor for equalization orders.

Agency Stated Authority: Iowa Code section 421.14.

Fiscal Impact **Agency Response:** Minimal to no fiscal impact. Extending the time period that taxpayers may bring appeals before a local board of review, causing the board to meet for a longer period of time, and may slightly increase operation costs.

LSA Response: The LSA concurs.

ARC 2736C

Rule Summary Reduces the existing state solar energy system tax credit from 60.0% of the federal tax credit to 50.0%. The change applies to systems installed on or after January 1, 2016. Increases the annual credit cap for solar energy systems from \$4.5 million to \$5.0 million. Caps individual tax credits at \$5,000 or \$20,000. Creates an exception to the May filing deadline for solar energy systems installed during the 2014 and 2015 calendar years. Describes the waitlist system that will be used for eligible applications received after the annual cap for the credit has been reached. Updates references and makes clarifying changes.

Agency Stated Authority: Iowa Code section 422.68.

Fiscal Impact **Agency Response:** This estimate assumes tax credits will be fully utilized and will be redeemed in a manner similar to other nonrefundable tax credits.

LSA Response: During the 2015 Legislative Session, tax credits were estimated to reduce General Funding revenue by the following amounts:

- **FY 2016** \$225,000
- **FY 2017** \$330,000
- **FY 2018** \$170,000
- **FY 2019** \$100,000
- **FY 2020** \$70,000

This 2015 estimate assumed the expiration of the federal tax credit. As a result, it was assumed the Iowa tax credit would end. Since then, the federal tax credit was extended, and tax credit usage will exceed the 2015 estimate.

ARC 2737C

Rule Summary Removes rule references that direct the taxpayer to subtract tax credits during the calculation of the Alternative Minimum Tax Credit. The rule directions will now state that the calculation is based on the regular tax. The Department will revise tax forms related to the Alternative Minimum Tax to match the new explanation.

Agency Stated Authority: Iowa Code section 422.68.

Fiscal Impact **Agency Response:** The Department examined data from tax returns for the effected tax types for 2012 and 2013, the most recent complete tax years, to determine taxpayer credit eligibility and credit amounts during those years. This rulemaking is estimated to reduce School District Surtax revenue by an average of

\$12,000 over five years. This rulemaking is estimated to reduce General Fund revenue by the following amounts:

- **FY 2017** \$720,000
- **FY 2018** \$540,000
- **FY 2019 and after** \$430,000

LSA Response: The LSA concurs.

ARC 2739C

Rule Summary Requires W-2 and 1099 forms to be filed electronically with the Department on an annual basis. Following a period of public comment, the Department further clarified the rules to ensure that filing processes for W-2s and 1099s will occur separately. Beginning in tax year 2017, it will be mandatory for withholding agents to file 1099s electronically.

Agency Stated Authority: Iowa Code sections 421.14, 422.16, and 422.68.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Treasurer of State**ARC 2716C**

Rule Summary Adopts a new IAC chapter (replacing the existing chapter) to address the new online capabilities for Great Iowa Treasure Hunt claimants as well as provides revisions, updates, and clarifications to existing unclaimed property rules.

Agency Stated Authority: Iowa Code section 556.26.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Utilities Division**ARC 2711C**

Rule Summary Updates the Utility Board's current natural gas and electric safety standards in order to comply with federal and national standards.

Agency Stated Authority: Iowa Code sections 17A.4, 476.1, 476.1A, 476.1B, 476.2, 476.8, 476A.12, 478.19, 478.20, 479.4, and 479.17.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 2714C

Rule Summary Rescinds the Utility Board's rules regarding the Tax Reform Act of 1986. The statute upon which the rules were based was repealed in 1990, and upon review, the Board

finds no further need for these rules, as rate-regulated utilities addressed by the statute have been through multiple general rate cases since 1986.

Agency Stated Authority: Iowa Code section 476.8A.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Landscape Architectural Examining Board

ARC 2709C

Rule Summary Establishes an alternative process to providing licensure for landscape architects that were licensed to practice in another jurisdiction prior to the grandfathering in of those who have not taken a state or national exam, and were unable to gain an Iowa license.

Agency Stated Authority: Iowa Code sections 544B.10 and 546.10(8).

Fiscal Impact **Agency Response:** The Bureau does not anticipate a fiscal impact. According to the Bureau, should an impact occur, it would lean in favor of increased employment, as this amendment provides an additional opportunity for licensure.

LSA Response: The LSA concurs.

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Iowa Commission on Volunteer Service

ARC 2715C

Rule Summary Implements provisions in HF 2460 (FY 2017 Health and Human Services Appropriation Act) by establishing a Refugee Rebuild, Integrate, Serve, Empower (RefugeeRISE) AmeriCorps Program to increase community integration and engagement for diverse refugee communities in rural and urban areas across the state. The Program will support AmeriCorps program member recruitment and training to improve the economic well-being and health of economically disadvantaged refugees in local communities across Iowa. The funding can be used to supplement federal funds.

Agency Stated Authority: Iowa Code section 86.8.

Fiscal Impact **Agency Response:** The fiscal impact of these rules is \$300,000 of state funding appropriated to the Department of Human Services and transferred to the Economic Development Authority for the Iowa Commission on Volunteer Service.

LSA Response: The LSA concurs.

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